

Medical Assistance Services

Analyst: Castro

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	55,225,100	42,752,700	67,259,100	71,735,900	70,976,100
Coordinated Medicaid Plan	203,291,200	374,824,200	404,299,100	462,675,300	404,825,100
Enhanced Medicaid Plan	556,711,000	541,409,100	568,325,000	658,809,100	557,358,000
Basic Medicaid Plan	473,505,600	342,360,200	367,362,600	432,376,200	365,898,300
Total:	1,288,732,900	1,301,346,200	1,407,245,800	1,625,596,500	1,399,057,500
BY FUND CATEGORY					
General	370,334,500	368,320,000	402,492,800	460,827,800	385,196,600
Dedicated	92,274,700	85,462,500	99,016,000	112,320,700	111,816,500
Federal	826,123,700	847,563,700	905,737,000	1,052,448,000	902,044,400
Total:	1,288,732,900	1,301,346,200	1,407,245,800	1,625,596,500	1,399,057,500
Percent Change:		1.0%	8.1%	15.5%	(0.6%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	18,357,500	16,710,900	19,528,300	20,246,500	19,359,300
Operating Expenditures	33,283,200	24,720,000	44,657,600	48,364,300	48,667,200
Capital Outlay	295,200	391,200	123,600	175,500	0
Trustee/Benefit	1,236,797,000	1,259,524,100	1,342,936,300	1,556,810,200	1,331,031,000
Total:	1,288,732,900	1,301,346,200	1,407,245,800	1,625,596,500	1,399,057,500
Full-Time Positions (FTP)	278.50	276.00	290.00	287.00	287.00

Division Description

The Division of Medical Assistance is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability, pursuant to state and federal Medicaid requirements. Additionally, the division licenses and certifies health facilities to meet state and federal requirements and to participate in Medicaid and Medicare.

MEDICAID ADMINISTRATION & MEDICAL MANAGEMENT: Includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and CHIP (Title XXI). Administrative functions include managing provider payments, contracting with state agencies and universities for medical management, conducting drug utilization reviews and individual assessments, and licensing and inspecting health facilities such as nursing homes, hospitals, and residential and assisted living facilities. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration & Medical Management.

COORDINATED MEDICAID PLAN: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

ENHANCED MEDICAID PLAN: Medicaid eligible group primarily made up of children and adults (non-elderly) with disabilities or other individuals with special health needs, such as foster children. Individuals included in this plan may elect to remain in this plan after they turn 65 years old.

BASIC MEDICAID PLAN: Medicaid eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.

Department of Health and Welfare

Agency Profile

Analyst: Castro

FY 2010 Medicaid Nondiscretionary Request				
	GEN	DED	FED	TOTAL
1. FMAP Rate Changes	3,908,900		(3,908,900)	-
2. FY 2009 One-time Funding Replacement	20,659,400	6,812,100	47,989,200	75,460,700
3. FY 2010 Medicaid Growth Increase	41,142,900	504,200	97,986,600	139,633,700
Total Nondiscretionary Budget Request	65,711,200	7,316,300	142,066,900	215,094,400

FY 2010 Medicaid Nondiscretionary Request by Plan				
	Caseload	Utilization	Pricing	TOTAL
General Funds	2,935,000	7,455,500	2,175,200	12,565,700
Dedicated Funds	-	-	-	-
Federal Funds	6,905,300	17,541,200	5,117,800	29,564,300
Total Coordinated Medicaid Plan Request	9,840,300	24,996,700	7,293,000	42,130,000
General Funds	4,125,700	10,348,800	3,057,700	17,532,200
Dedicated Funds		131,500		131,500
Federal Funds	9,706,800	24,657,800	7,194,200	41,558,800
Total Enhance Medicaid Plan Request	13,832,500	35,138,100	10,251,900	59,222,500
General Funds	2,666,800	6,401,700	1,976,500	11,045,000
Dedicated Funds	-	372,700	-	372,700
Federal Funds	6,274,500	15,938,700	4,650,300	26,863,500
Total Basic Medicaid Plan Request	8,941,300	22,713,100	6,626,800	38,281,200
General Funds	9,727,500	24,206,000	7,209,400	41,142,900
Dedicated Funds	-	504,200	-	504,200
Federal Funds	22,886,600	58,137,700	16,962,300	97,986,600
Total FY 2010 Medicaid Budget Growth	32,614,100	82,847,900	24,171,700	139,633,700

Per Enrollee Per Month (PEPM) Inflationary Calculations				
	Caseload	Utilization	Pricing	Total
Coordinated Medicaid Plan	\$ 2,356.39	\$ 139.20	\$ 40.61	\$ 2,815.42
Enhanced Medicaid Plan	\$ 1,200.74	\$ 71.30	\$ 20.80	\$ 1,441.99
Basic Medicaid Plan	\$ 228.56	\$ 13.53	\$ 3.95	\$ 22.80
Average Per Enrollee Per Month Increase	594.97	35.23	10.28	640.49

Pricing Increases by Service Category				
	Amount	% Increase	Rate Set	Reference
Rural Health Clinic Services	58,300	1.8%	Federal	State Plan
Hospice Benefits	958,700	N/A	Federal	State Plan
Federally Qualified Health Centers	1,907,600	1.8%	Federal	State Plan
Indian Health Services	(38,600)	4.5%	Federal	State Plan
Hospital Disproportionate Share Payments	0	15.3%	Federal	State Plan
Hospital Upper Payment Limit*	0	20.6%	Federal	State Plan
Nursing Facilities	14,406,500	4.7% & 6%	State	I.C. 56-102
Physician and Dental Services	3,608,800	3.2%	State	I.C. 56-136
ICF/MR	1,126,200	0.5%	State	I.C. 56-113
Personal Care Services	2,139,100	1.6% to 4.3%	State	I.C. 39-5606

NOTE: The Legislature modified Idaho Code during the FY 2008 Session and hospitals provide the matching state funds in HB 443

* Data for this report based on data through August 2008 Medicaid Forecast

Department of Health and Welfare

Agency Profile

Analyst: Castro

Annual Costs Per Enrollee by Date of Service				
	SFY 2007	SFY 2008	Est. SFY 2009	Est. SFY 2010
Total Coordinated	17,079.36	20,361.48	21,173.16	23,944.06
Enhanced Child	13,888.56	12,570.48	13,071.60	
Enhanced Adult	19,835.64	18,826.68	19,577.28	
Total Enhanced	17,568.00	15,923.64	16,558.44	18,000.43
Basic Child	1,966.56	2,030.64	2,111.64	
Basic Adult	6,581.28	7,669.68	7,975.44	
Total Basic	2,503.44	2,604.48	2,708.28	2,731.48
Average Per Member Costs	6,226.32	6,802.20	7073.40	7642.32
Caseload & Total Expenditure Information				
Caseload Figures	Coordinated	Enhanced	Basic	Total
FY 2009 Eligible Projections	14,616	40,110	136,650	191,376
FY 2010 Eligible Projections	14,964	41,070	139,910	195,944
Net Increase	348	960	3,260	4,568
FY 2009 Medicaid Revised Expenditure Projections			\$	1,366,366,579
FY 2010 Medicaid Expenditure Projections			\$	1,506,000,227
% Change of FY 2009	10.22%			

Medicaid Administration & Medical Mgmt

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	290.00	18,394,000	67,259,100	290.00	18,394,000	67,259,100
Reappropriation	0.00	98,400	98,400	0.00	98,400	98,400
3. 3rd Party Recovery Contract Increase	0.00	0	2,600,000	0.00	0	2,600,000
Omnibus Rescission	0.00	0	0	0.00	(292,500)	(663,900)
Health Insurance Reduction	0.00	0	0	0.00	(53,200)	(145,000)
FY 2009 Total Appropriation	290.00	18,492,400	69,957,500	290.00	18,146,700	69,148,600
Noncognizable Funds and Transfers	1.00	0	0	1.00	0	0
FY 2009 Estimated Expenditures	291.00	18,492,400	69,957,500	291.00	18,146,700	69,148,600
Removal of One-Time Expenditures	(8.00)	(3,534,200)	(19,677,500)	(8.00)	(3,534,200)	(19,677,500)
Additional Base Adjustment	0.00	0	0	0.00	73,800	228,400
FY 2010 Base	283.00	14,958,200	50,280,000	283.00	14,686,300	49,699,500
Benefit Costs	0.00	99,800	261,000	0.00	46,600	116,000
Inflationary Adjustments	0.00	75,300	223,700	0.00	0	0
Replacement Items	0.00	81,400	175,500	0.00	0	0
Statewide Cost Allocation	0.00	(100)	(300)	0.00	(100)	(300)
Change in Employee Compensation	0.00	231,000	593,500	0.00	0	0
FY 2010 Program Maintenance	283.00	15,445,600	51,533,400	283.00	14,732,800	49,815,200
1. Medicaid Payment System (MMIS)	6.00	2,795,300	20,057,900	6.00	5,259,200	21,264,300
4. Assisted Living Rate & UAI Increase	0.00	125,000	250,000	0.00	0	0
9. AG Staff Transfer (Indirect & Medicaid)	(2.00)	(40,300)	(105,400)	(2.00)	(39,500)	(103,400)
FY 2010 Total	287.00	18,325,600	71,735,900	287.00	19,952,500	70,976,100
Change from Original Appropriation	(3.00)	(68,400)	4,476,800	(3.00)	1,558,500	3,717,000
% Change from Original Appropriation		(0.4%)	6.7%		8.5%	5.5%

Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	290.00	18,394,000	3,535,800	45,329,300	67,259,100

Reappropriation

Reappropriates \$98,400 for MMIS and the Health Quality Planning Commission per Legislative intent.

Agency Request	0.00	98,400	0	0	98,400
Governor's Recommendation	0.00	98,400	0	0	98,400

3.3rd Party Recovery Contract Increase

This request is being made to increase the department's dedicated fund authority by \$2.6 million for operating expenditures. These receipts generated by the Third Party Recovery (TPR) contractor will pay the contractor for the services it provides. The TPR contractor is charged with the federally mandated service of recovering funds that are due to the Medicaid program from commercial health insurance companies, liability insurers, and providers. The TPR contractor is also responsible for identifying insurance coverage that should pay as primary to the Medicaid program.

This request reflects a payment increase that the department negotiated with its TPR contractor as part of a two-year contract extension. The department states that it explored going through a formal requests for proposals to negotiate a new contract, but ascertained that doing so could result in an even higher increase in payment for these services. States in similar situations who have recently negotiated new TPR contracts are paying a higher rate for these services than what the department negotiated with the contract extension. [Ongoing]

Agency Request	0.00	0	2,600,000	0	2,600,000
Governor's Recommendation	0.00	0	2,600,000	0	2,600,000

Omnibus Rescission

Agency Request	0.00	0	0	0	0
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General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.

Governor's Recommendation	0.00	(292,500)	0	(371,400)	(663,900)
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Health Insurance Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.

Governor's Recommendation	0.00	(53,200)	0	(91,800)	(145,000)
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FY 2009 Total Appropriation

Agency Request	290.00	18,492,400	6,135,800	45,329,300	69,957,500
Governor's Recommendation	290.00	18,146,700	6,135,800	44,866,100	69,148,600

Noncognizable Funds and Transfers

Transfers in one FTP.

Agency Request	1.00	0	0	0	0
Governor's Recommendation	1.00	0	0	0	0

FY 2009 Estimated Expenditures

Agency Request	291.00	18,492,400	6,135,800	45,329,300	69,957,500
Governor's Recommendation	291.00	18,146,700	6,135,800	44,866,100	69,148,600

Removal of One-Time Expenditures

Agency Request	(8.00)	(3,534,200)	0	(16,143,300)	(19,677,500)
Governor's Recommendation	(8.00)	(3,534,200)	0	(16,143,300)	(19,677,500)

Additional Base Adjustment

Agency Request	0.00	0	0	0	0
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The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 2.7% reduction for the division bringing the FY 2010 Base 6.0% below the ongoing FY 2009 General Fund Original Appropriation.

Governor's Recommendation	0.00	73,800	0	154,600	228,400
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Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2010 Base					
Agency Request	283.00	14,958,200	6,135,800	29,186,000	50,280,000
Governor's Recommendation	283.00	14,686,300	6,135,800	28,877,400	49,699,500

Benefit Costs

Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.

Agency Request	0.00	99,800	0	161,200	261,000
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The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.

Governor's Recommendation	0.00	46,600	0	69,400	116,000
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Inflationary Adjustments

Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 1.1% increase in the General Fund and a 0.7% increase in total funds. The requested amount includes \$182,400 for general inflation and \$41,300 for contract inflation. The general inflation request reflects \$115,500 increase in employee travel costs and \$66,900 for fuel & lubricant cost increases. The contract inflation request reflects an increase for rent.

Agency Request	0.00	75,300	0	148,400	223,700
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Replacement Items

The replacement items request includes \$139,500 for nine vehicles and \$36,000 for chairs and desks.

Agency Request	0.00	81,400	0	94,100	175,500
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Statewide Cost Allocation

Reduces the budget by \$300 for risk management costs.

Agency Request	0.00	(100)	0	(200)	(300)
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Governor's Recommendation	0.00	(100)	0	(200)	(300)
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Change in Employee Compensation

Agencies were instructed to calculate a 3% salary increase in the appropriation request.

Agency Request	0.00	231,000	0	362,500	593,500
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While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.

Governor's Recommendation	0.00	0	0	0	0
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FY 2010 Program Maintenance					
Agency Request	283.00	15,445,600	6,135,800	29,952,000	51,533,400
Governor's Recommendation	283.00	14,732,800	6,135,800	28,946,600	49,815,200

Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Medicaid Payment System (MMIS)					
<p>This line item request is for \$20,057,900 for the third year of the Medicaid Management Information System replacement. The request includes \$1,259,300 in ongoing, General Fund monies combined with \$3,778,000 of ongoing federal funds. The 6.0 limited service FTPs are requested one-time. The ongoing funding will be utilized for the operating costs on the new MMIS system that is expected to be operational during a portion of FY 2010. The one-time funding will pay for completion of three of the last four project phases in the 27 month project. The user acceptance testing, the pilot operations and the implementation phases are expected to be completed in the FY 2010 budget year. The final project phase, certification, is slated for completion in FY 2011. The new MMIS system must be operational for six months before the Center for Medicaid and Medicare will review, audit, and certify Idaho's new MMIS system.</p> <p>[Ongoing- \$5,037,300; One-time- \$15,020,600]</p>					
Agency Request	6.00	2,795,300	0	17,262,600	20,057,900
<i>The Governor recommends funding the final phase of development and implementation of the MMIS project and three months of ongoing operating costs for FY 2010.</i>					
Governor's Recommendation	6.00	5,259,200	0	16,005,100	21,264,300

4. Assisted Living Rate & UAI Increase

This request is for \$250,000 of a total \$5.25 million (\$1.49 million in General Funds) requested to fund a payment increase for services provided to Medicaid participants who reside in assisted living facilities and cover one-time programming costs. The remaining \$5 million (\$1.5 million in General Funds) will increase Medicaid trustee & benefit payments to providers to reflect the actual hours of service they must provide to Medicaid participants to meet these needs.

Medicaid states that this request is being initiated in response to concerns by providers and other stakeholders that Medicaid payments are not sufficient to cover the service needs of Medicaid participants living in assisted living facilities. Participant needs assessments are conducted using the Uniform Assessment Instrument (UAI), a computerized tool used by nursing staff that identifies the levels of personal care assistance needed to manage activities of daily living (preparing meals, bathing, dressing, etc.). The department convened a group of stakeholders to review how nursing assessments were conducted and the group has recommended changes so that the tool better reflects the needs of the participant. These changes include updates to the service need definitions and criteria. The changes also will result in improved consistency (inter-rater reliability) and an increase in payments to assisted living facilities. No additional staffing is needed to make these changes.

Computer programming costs of \$250,000 is matched with one-time federal funds at 50 percent and increased payments are matched with federal funds at 70 percent.

Agency Request	0.00	125,000	0	125,000	250,000
<i>Not recommended by the Governor; however, the Governor supports the agency finding alternative internal options to make these updates.</i>					
Governor's Recommendation	0.00	0	0	0	0

Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. AG Staff Transfer (Indirect & Medicaid)

The department has historically provided administrative and paralegal support for the Attorney General's staff working on DHW activities. Most of these support positions were transferred to the Attorney General's budget in 1995. The department currently has six staff, four in Indirect Support Services and two in Medicaid that provide support to the Attorney General's lawyers assigned to the department. The reason the four positions in Indirect were not transferred in 1995 was that the staff were in classified positions. A transfer to the AG's office would have converted them to at-will positions. The two positions in Medicaid were created since 1995. With staff turnover since 1995 the department states that transferring the positions is no longer an issue.

Approval of this decision unit would transfer the six positions from DHW to the Attorney General's office, consolidating the total personnel cost of the legal services provided to DHW. These costs will be included in the statewide cost allocation recovery. [Ongoing]

Analyst Comment: This line item corresponds with a line item in the Attorney General's budget and the Medicaid budget, all three line items require concurrent adoption to complete the transfer of staff.

Agency Request	(2.00)	(40,300)	0	(65,100)	(105,400)
Governor's Recommendation	(2.00)	(39,500)	0	(63,900)	(103,400)

FY 2010 Total					
Agency Request	287.00	18,325,600	6,135,800	47,274,500	71,735,900
Governor's Recommendation	287.00	19,952,500	6,135,800	44,887,800	70,976,100
Agency Request					
Change from Original App	(3.00)	(68,400)	2,600,000	1,945,200	4,476,800
% Change from Original App	(1.0%)	(0.4%)	73.5%	4.3%	6.7%
Governor's Recommendation					
Change from Original App	(3.00)	1,558,500	2,600,000	(441,500)	3,717,000
% Change from Original App	(1.0%)	8.5%	73.5%	(1.0%)	5.5%

Coordinated Medicaid Plan

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	116,503,400	404,299,100	0.00	116,503,400	404,299,100
1. Adjust T&B to Projected Expenditures	0.00	4,340,900	10,220,200	0.00	0	9,368,400
4. UPL Spending Authority	0.00	0	1,026,000	0.00	0	1,026,000
Omnibus Rescission	0.00	0	0	0.00	(874,200)	(3,768,100)
FY 2009 Total Appropriation	0.00	120,844,300	415,545,300	0.00	115,629,200	410,925,400
Removal of One-Time Expenditures	0.00	(6,594,800)	(22,776,600)	0.00	(6,594,800)	(32,145,000)
Additional Base Adjustment	0.00	0	0	0.00	874,200	3,768,100
FY 2010 Base	0.00	114,249,500	392,768,700	0.00	109,908,600	382,548,500
Nondiscretionary Adjustments	0.00	20,286,100	64,906,600	0.00	7,720,400	22,776,600
FY 2010 Program Maintenance	0.00	134,535,600	457,675,300	0.00	117,629,000	405,325,100
4. Assisted Living Rate & UAI Increase	0.00	1,491,300	5,000,000	0.00	(158,700)	(500,000)
FY 2010 Total	0.00	136,026,900	462,675,300	0.00	117,470,300	404,825,100
Change from Original Appropriation	0.00	19,523,500	58,376,200	0.00	966,900	526,000
% Change from Original Appropriation		16.8%	14.4%		0.8%	0.1%

Coordinated Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	116,503,400	11,470,000	276,325,700	404,299,100

1. Adjust T&B to Projected Expenditures

The Medicaid program is requesting \$8,280,900 in General Funds and \$15,149,300 from federal funds for trustee & benefit payments. The requested increase is due to a 1.74% increase in the projected expenditures for Medicaid for FY 2009. The three categories of services that are driving the increased costs in Medicaid are: inpatient hospital, school district services and prescription drugs. While some services under the Medicaid plan have grown faster than projections, other services have grown slower. The top three categories of services that are experience the highest expenditure reductions are CHIP A, nursing facilities, and personal care services.

The supplemental request for funding nets all of the increases and decreases in services based on trend data for a total increase in FY 2009 Medicaid expenditures over FY 2008 of \$23,430,200. Of the total supplemental request, \$4.5M is due to bills that were carried over from FY 2008 and paid for out of FY 2009 appropriations. The net increase in FY 2009 projected expenditures is \$18,908,900.

The department staff choose to carryover the bills in the Medicaid Coordinated Plan because the payments were to the federal government rather than providers. This choice allowed providers to receive their full payments in FY 2008.

The request is broken down as follows:

Coordinated Plan- \$4,340,900 from the General Fund and \$5,879,300 from federal funds.
Enhanced Plan- \$2,393,100 from the General Fund and \$5,630,500 from federal funds.
Basic Plan- \$1,546,900 from the General Fund and \$3,639,500 from federal funds.

TOTAL \$8,280,900 from the General Fund and \$15,149,300 from federal funds.

Analyst Comment: During the 2008 legislative session the Medicaid budget was set at \$1,342,936,315 for trustee & benefit payments. The estimated expenditures for FY 2009 with the supplemental funding request would be \$1,356,112,101. Representing an increase of 1.74%.

Agency Request	0.00	4,340,900	0	5,879,300	10,220,200
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The Governor recommends using one-time excess cash in the Cooperative Welfare Fund to replace the General Fund portion of the request. The Governor's recommendation reduces the supplemental funding slightly due to updated Medicaid cost projections for FY 2009.

Governor's Recommendation	0.00	0	4,105,300	5,263,100	9,368,400
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4. UPL Spending Authority

During the 2008 legislative session the Legislature passed HB 443 and created the Hospital Assessment Act. The Hospital Assessment Act requires identified private hospitals to contribute to the Hospital Assessment Fund. The legislation further requires the Department of Health and Welfare to utilizes monies held in the dedicated fund to cover the state's portion of match for Medicaid payments to private hospitals for Upper Payment Level (UPL) reimbursements. This supplemental provides spending authority from the Hospital Assessment Fund and the corresponding federal fund spending authority to implement HB 443.

Agency Request	0.00	0	306,000	720,000	1,026,000
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Governor's Recommendation	0.00	0	306,000	720,000	1,026,000
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Omnibus Rescission

Agency Request	0.00	0	0	0	0
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General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.

Governor's Recommendation	0.00	(874,200)	0	(2,893,900)	(3,768,100)
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FY 2009 Total Appropriation					
Agency Request	0.00	120,844,300	11,776,000	282,925,000	415,545,300
Governor's Recommendation	0.00	115,629,200	15,881,300	279,414,900	410,925,400

Coordinated Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of One-Time Expenditures					
Agency Request	0.00	(6,594,800)	(793,800)	(15,388,000)	(22,776,600)
Governor's Recommendation	0.00	(6,594,800)	(4,899,100)	(20,651,100)	(32,145,000)
Additional Base Adjustment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 1.9% reduction for the division bringing the FY 2010 Base 6.0% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	874,200	0	2,893,900	3,768,100
FY 2010 Base					
Agency Request	0.00	114,249,500	10,982,200	267,537,000	392,768,700
Governor's Recommendation	0.00	109,908,600	10,982,200	261,657,700	382,548,500

Nondiscretionary Adjustments

The Nondiscretionary request calculations are shown in detail on page 2-54.

FMAP RATE CHANGE: Provides General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.795 to 69.493% and a reduction in the Enhanced FMAP from 78.858% to 78.645%. Total for all programs: \$3,794,800

Agency Request 0.00 20,286,100 793,800 43,826,700 64,906,600
For the FY 2010 Medicaid budget the Governor recommends ongoing funding to cover the Medicaid growth originally recommended and funded as one-time in the FY 2009 budget and the FMAP rate adjustments. The Governor does not recommend any additional funding for caseload growth, utilization, or pricing increases estimated for FY 2010 due to economic shortfalls.

Governor's Recommendation 0.00 7,720,400 793,800 14,262,400 22,776,600

FY 2010 Program Maintenance					
Agency Request	0.00	134,535,600	11,776,000	311,363,700	457,675,300
Governor's Recommendation	0.00	117,629,000	11,776,000	275,920,100	405,325,100

4. Assisted Living Rate & UAI Increase

This total request of \$5.25 million (\$1.49 million in General Funds) to fund a payment increase for services provided to Medicaid participants who reside in assisted living facilities. The \$5 million (\$1.5 million in General Funds) will increase Medicaid T&B payments to providers to reflect the actual hours of service they must provide to Medicaid participants to meet these needs.

Medicaid states that this request is being initiated in response to concerns by providers and other stakeholders that Medicaid payments are not sufficient to cover the service needs of Medicaid participants living in assisted living facilities. Participant needs assessments are conducted using the Uniform Assessment Instrument (UAI), a computerized tool used by nursing staff that identifies the levels of personal care assistance needed to manage activities of daily living (preparing meals, bathing, dressing, etc.). The department convened a group of stakeholders to review how nursing assessments were conducted and the group has recommended changes so that the tool better reflects the needs of the participant. These changes include updates to the service need definitions and criteria. The changes also will result in improved consistency (inter-rater reliability) and an increase in payments to assisted living facilities. No additional staffing is needed to make these changes. Computer programming is matched with one-time federal funds at 50 percent and increased payments are matched with federal funds at 70 percent.

Agency Request 0.00 1,491,300 0 3,508,700 5,000,000
The Governor recommends the rate adjustments for assisted living facilities for services provided to Medicaid clients. The Governor funds the recommended rate increases from savings generated by a reduction in incentive payments made to nursing home facilities. Currently Medicaid rewards nursing facilities that keep their costs below an administrative cap. The Governor's recommendation does not remove the incentive payment. The recommendation is a reduction to the amount provided for incentive payment. The net recommendation is an overall savings of \$500,000 of which \$158,700 is a savings to the General Fund.

Governor's Recommendation 0.00 (158,700) 0 (341,300) (500,000)

Coordinated Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2010 Total					
Agency Request	0.00	136,026,900	11,776,000	314,872,400	462,675,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>117,470,300</i>	<i>11,776,000</i>	<i>275,578,800</i>	<i>404,825,100</i>
Agency Request					
Change from Original App	0.00	19,523,500	306,000	38,546,700	58,376,200
% Change from Original App		16.8%	2.7%	13.9%	14.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>966,900</i>	<i>306,000</i>	<i>(746,900)</i>	<i>526,000</i>
<i>% Change from Original App</i>		<i>0.8%</i>	<i>2.7%</i>	<i>(0.3%)</i>	<i>0.1%</i>

Enhanced Medicaid Plan

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	172,551,400	568,325,000	0.00	172,551,400	568,325,000
Reappropriation	0.00	1,022,300	1,022,300	0.00	1,022,300	1,022,300
1. Adjust T&B to Projected Expenditures	0.00	2,393,100	8,023,600	0.00	0	6,826,300
4. UPL Spending Authority	0.00	0	11,628,000	0.00	0	11,628,000
Omnibus Rescission	0.00	0	0	0.00	(3,486,200)	(12,415,100)
FY 2009 Total Appropriation	0.00	175,966,800	588,998,900	0.00	170,087,500	575,386,500
Removal of One-Time Expenditures	0.00	(9,747,000)	(33,039,000)	0.00	(9,747,000)	(39,865,300)
Additional Base Adjustment	0.00	0	0	0.00	(3,156,000)	(8,757,600)
FY 2010 Base	0.00	166,219,800	555,959,900	0.00	157,184,500	526,763,600
Nondiscretionary Adjustments	0.00	27,924,400	91,239,200	0.00	10,392,200	32,016,700
FY 2010 Program Maintenance	0.00	194,144,200	647,199,100	0.00	167,576,700	558,780,300
3. Mental Health/DD Rate Adjustment	0.00	3,579,400	11,610,000	0.00	(195,100)	(1,422,300)
FY 2010 Total	0.00	197,723,600	658,809,100	0.00	167,381,600	557,358,000
Change from Original Appropriation	0.00	25,172,200	90,484,100	0.00	(5,169,800)	(10,967,000)
% Change from Original Appropriation		14.6%	15.9%		(3.0%)	(1.9%)

Enhanced Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	172,551,400	41,682,900	354,090,700	568,325,000

Reappropriation

Reappropriates \$1,022,300 in unspent trustee & benefit payments.

Agency Request	0.00	1,022,300	0	0	1,022,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,022,300</i>	<i>0</i>	<i>0</i>	<i>1,022,300</i>

1. Adjust T&B to Projected Expenditures

The Medicaid program is requesting \$8,280,900 in General Funds and \$15,149,300 from federal funds for trustee & benefit payments. The requested increase is due to a 1.74% increase in the projected expenditures for Medicaid for FY 2009. The three categories of services that are driving the increased costs in Medicaid are: inpatient hospital, school district services and prescription drugs. While some services under the Medicaid plan have grown faster than projections, other services have grown slower. The top three categories of services that are experience the highest expenditure reductions are CHIP A, nursing facilities, and personal care services.

The supplemental request for funding nets all of the increases and decreases in services based on trend data for a total increase in FY 2009 Medicaid expenditures over FY 2008 of \$23,430,200. Of the total supplemental request, \$4.5M is due to bills that were carried over from FY 2008 and paid for out of FY 2009 appropriations. The net increase in FY 2009 projected expenditures is \$18,908,900.

The department staff choose to carryover the bills in the Medicaid Coordinated Plan because the payments were to the federal government rather than providers. This choice allowed providers to receive their full payments in FY 2008.

The request is broken down as follows:

Coordinated Plan-	\$4,340,900 from the General Fund and \$5,879,300 from federal funds.
Enhanced Plan-	\$2,393,100 from the General Fund and \$5,630,500 from federal funds.
Basic Plan-	\$1,546,900 from the General Fund and \$3,639,500 from federal funds.

TOTAL \$8,280,900 from the General Fund and \$15,149,300 from federal funds.

Analyst Comment: During the 2008 legislative session the Medicaid budget was set at \$1,342,936,315 for trustee & benefit payments. The estimated expenditures for FY 2009 with the supplemental funding request would be \$1,356,112,101. Representing an increase of 1.74%.

Agency Request	0.00	2,393,100	0	5,630,500	8,023,600
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The Governor recommends using one-time excess cash in the Cooperative Welfare Fund to replace the General Fund portion of the request. The Governor's recommendation reduces the supplemental funding slightly due to updated Medicaid cost projections for FY 2009.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,061,900</i>	<i>4,764,400</i>	<i>6,826,300</i>
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4. UPL Spending Authority

During the 2008 legislative session, the Legislature passed HB 443 and created the Hospital Assessment Act. The Hospital Assessment Act requires identified private hospitals to contribute to the Hospital Assessment Fund. The legislation further requires the Department of Health and Welfare to utilize monies held in the dedicated fund to cover the state's portion of match for Medicaid payments to private hospitals for Upper Payment Level (UPL) reimbursements. This supplemental provides spending authority from the Hospital Assessment Fund and the corresponding federal fund spending authority to implement HB 443.

Agency Request	0.00	0	3,468,200	8,159,800	11,628,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,468,200</i>	<i>8,159,800</i>	<i>11,628,000</i>

Omnibus Rescission

Agency Request	0.00	0	0	0	0
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General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(3,486,200)</i>	<i>0</i>	<i>(8,928,900)</i>	<i>(12,415,100)</i>
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Enhanced Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Total Appropriation					
Agency Request	0.00	175,966,800	45,151,100	367,881,000	588,998,900
Governor's Recommendation	0.00	170,087,500	47,213,000	358,086,000	575,386,500

Removal of One-Time Expenditures

Agency Request	0.00	(9,747,000)	(2,934,300)	(20,357,700)	(33,039,000)
Governor's Recommendation	0.00	(9,747,000)	(4,996,200)	(25,122,100)	(39,865,300)

Additional Base Adjustment

Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 2.7% reduction for the division bringing the FY 2010 Base 6.0% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	(3,156,000)	0	(5,601,600)	(8,757,600)

FY 2010 Base

Agency Request	0.00	166,219,800	42,216,800	347,523,300	555,959,900
Governor's Recommendation	0.00	157,184,500	42,216,800	327,362,300	526,763,600

Nondiscretionary Adjustments

The Nondiscretionary request calculations are shown in detail on page 2-54.

FMAP RATE CHANGE: Provides General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.795 to 69.493% and a reduction in the Enhanced FMAP from 78.858% to 78.645%. Total for all programs: \$3,794,800

Agency Request	0.00	27,924,400	3,065,800	60,249,000	91,239,200
<i>For the FY 2010 Medicaid budget, the Governor recommends ongoing funding to cover the Medicaid growth which was originally recommended and funded as one-time in the FY 2009 budget, and the FMAP rate adjustments. The Governor does not recommend any additional funding for caseload growth, utilization, or pricing increases estimated for FY 2010 due to economic shortfalls.</i>					
Governor's Recommendation	0.00	10,392,200	2,934,300	18,690,200	32,016,700

FY 2010 Program Maintenance

Agency Request	0.00	194,144,200	45,282,600	407,772,300	647,199,100
Governor's Recommendation	0.00	167,576,700	45,151,100	346,052,500	558,780,300

3. Mental Health/DD Rate Adjustment

H190 of 2006 legislative session directed the division to implement a fair and equitable methodology for reviewing and determining reimbursement rates for home and community-based services (mental health and developmental disability providers). In FY 2007, the division received an appropriation of \$300,000 to conduct a market analysis and develop a reimbursement methodology for these services. The division requests \$11,610,000 to implement the resulting changes in the rate methodology.

Agency Request	0.00	3,579,400	0	8,030,600	11,610,000
<i>The Governor recommends the rate adjustments for mental health and developmental disability providers as requested. The Governor funds the recommended rate increases from savings generated by a reduction in utilization for psychosocial rehabilitation, partial care, and developmental therapy services by reducing the weekly cap of allowable hours for the outlined services. The net recommendation is an overall savings of \$1,422,300 of which \$195,100 is a savings to the General Fund.</i>					
Governor's Recommendation	0.00	(195,100)	0	(1,227,200)	(1,422,300)

FY 2010 Total

Agency Request	0.00	197,723,600	45,282,600	415,802,900	658,809,100
Governor's Recommendation	0.00	167,381,600	45,151,100	344,825,300	557,358,000

Agency Request

Change from Original App	0.00	25,172,200	3,599,700	61,712,200	90,484,100
% Change from Original App		14.6%	8.6%	17.4%	15.9%

Governor's Recommendation

Change from Original App	0.00	(5,169,800)	3,468,200	(9,265,400)	(10,967,000)
% Change from Original App		(3.0%)	8.3%	(2.6%)	(1.9%)

Basic Medicaid Plan

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	95,044,000	367,362,600	0.00	95,044,000	367,362,600
1. Adjust T&B to Projected Expenditures	0.00	1,546,900	5,186,400	0.00	0	4,412,500
4. UPL Spending Authority	0.00	0	21,546,000	0.00	0	21,546,000
Omnibus Rescission	0.00	0	0	0.00	(5,741,700)	(19,007,800)
FY 2009 Total Appropriation	0.00	96,590,900	394,095,000	0.00	89,302,300	374,313,300
Removal of One-Time Expenditures	0.00	(5,339,900)	(20,667,400)	0.00	(5,339,900)	(25,079,900)
Additional Base Adjustment	0.00	0	0	0.00	(10,025,900)	(4,002,500)
FY 2010 Base	0.00	91,251,000	373,427,600	0.00	73,936,500	345,230,900
Nondiscretionary Adjustments	0.00	17,500,700	58,948,600	0.00	6,455,700	20,667,400
FY 2010 Total	0.00	108,751,700	432,376,200	0.00	80,392,200	365,898,300
Change from Original Appropriation	0.00	13,707,700	65,013,600	0.00	(14,651,800)	(1,464,300)
% Change from Original Appropriation		14.4%	17.7%		(15.4%)	(0.4%)

Basic Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	95,044,000	42,327,300	229,991,300	367,362,600

1. Adjust T&B to Projected Expenditures

The Medicaid program is requesting supplemental Medicaid trustee & benefit payments funding of \$8,280,900 in General Funds and \$15,149,300 from federal funds. The requested increase is due to a 1.74% increase in the projected expenditures for Medicaid for FY 2009. The three categories of services that are driving the increased costs in Medicaid are: inpatient hospital, school district services and prescription drugs. While some services under the Medicaid plan have grown faster than projections, other services have grown slower. The top three categories of services that are experience the highest expenditure reductions are CHIP A, nursing facilities, and personal care services.

The overall supplemental request for funding nets all of the increases and decreases in services based on trend data for a total increase in FY 2009 Medicaid expenditures over FY 2008 of \$23,430,200. Of the total supplemental request, \$4.5M is due to bills that were carried over from FY 2008 and paid for out of FY 2009 appropriations. The net increase in FY 2009 projected expenditures is \$18,908,900.

The department staff choose to carryover the bills in the Medicaid Coordinated Plan because the payments were to the federal government rather than providers. This choice allowed providers to receive their full payments in FY 2008.

The request is broken down as follows:

Coordinated Plan- \$4,340,900 from the General Fund and \$5,879,300 from federal funds.
Enhanced Plan- \$2,393,100 from the General Fund and \$5,630,500 from federal funds.
Basic Plan- \$1,546,900 from the General Fund and \$3,639,500 from federal funds.

TOTAL \$8,280,900 from the General Fund and \$15,149,300 from federal funds.

Analyst Comment: During the 2008 Legislative session the Medicaid budget was set at an estimated spending amount of \$1,342,936,315 for Medicaid trustee & benefit payments. The estimated expenditures for FY 2009 with the supplemental funding request would be \$1,356,112,101. Representing an increase of 1.74%.

Agency Request	0.00	1,546,900	0	3,639,500	5,186,400
<i>The Governor recommends using one-time excess cash in the Cooperative Welfare Fund to replace the General Fund portion of the request. The Governor's recommendation reduces the supplemental funding slightly due to updated Medicaid cost projections for FY 2009.</i>					
Governor's Recommendation	0.00	0	1,332,800	3,079,700	4,412,500

4. UPL Spending Authority

During the 2008 legislative session the Legislature passed HB 443 and created the Hospital Assessment Act. The Hospital Assessment Act requires identified private hospitals to contribute to the Hospital Assessment Fund. The legislation further requires the Department of Health and Welfare to utilizes monies held in the dedicated fund to cover the state's portion of match for Medicaid payments to private hospitals for Upper Payment Level (UPL) reimbursements. This supplemental provides spending authority from the Hospital Assessment Fund and the corresponding federal fund spending authority to implement HB 443.

Agency Request	0.00	0	6,426,300	15,119,700	21,546,000
Governor's Recommendation	0.00	0	6,426,300	15,119,700	21,546,000

Omnibus Rescission

Agency Request	0.00	0	0	0	0
<i>General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.</i>					
Governor's Recommendation	0.00	(5,741,700)	0	(13,266,100)	(19,007,800)

FY 2009 Total Appropriation					
Agency Request	0.00	96,590,900	48,753,600	248,750,500	394,095,000
Governor's Recommendation	0.00	89,302,300	50,086,400	234,924,600	374,313,300

Basic Medicaid Plan

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of One-Time Expenditures					
Agency Request	0.00	(5,339,900)	(3,084,000)	(12,243,500)	(20,667,400)
Governor's Recommendation	0.00	(5,339,900)	(4,416,800)	(15,323,200)	(25,079,900)

Additional Base Adjustment

Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 2.7% reduction for the division bringing the FY 2010 Base 6.0% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	(10,025,900)	0	6,023,400	(4,002,500)

FY 2010 Base					
Agency Request	0.00	91,251,000	45,669,600	236,507,000	373,427,600
Governor's Recommendation	0.00	73,936,500	45,669,600	225,624,800	345,230,900

Nondiscretionary Adjustments

The Nondiscretionary request calculations are shown in detail on page 2-54.

FMAP RATE CHANGE: Provides General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.795 to 69.493% and a reduction in the Enhanced FMAP from 78.858% to 78.645%. Total for all programs: \$3,794,800

Agency Request	0.00	17,500,700	3,456,700	37,991,200	58,948,600
<i>For the FY 2010 Medicaid budget, the Governor recommends ongoing funding to cover the Medicaid growth which was originally recommended and funded as one-time in the FY 2009 budget, and the FMAP rate adjustments. The Governor does not recommend any additional funding for caseload growth, utilization, or pricing increases estimated for FY 2010 due to economic shortfalls.</i>					
Governor's Recommendation	0.00	6,455,700	3,084,000	11,127,700	20,667,400

FY 2010 Total					
Agency Request	0.00	108,751,700	49,126,300	274,498,200	432,376,200
Governor's Recommendation	0.00	80,392,200	48,753,600	236,752,500	365,898,300

Agency Request					
Change from Original App	0.00	13,707,700	6,799,000	44,506,900	65,013,600
% Change from Original App		14.4%	16.1%	19.4%	17.7%
Governor's Recommendation					
Change from Original App	0.00	(14,651,800)	6,426,300	6,761,200	(1,464,300)
% Change from Original App		(15.4%)	15.2%	2.9%	(0.4%)

Mental Health Services

Analyst: Castro

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY PROGRAM					
Childrens Mental Health	15,645,500	14,923,000	14,898,500	15,365,500	14,228,100
Adult Mental Health	25,246,200	24,939,200	22,475,800	22,617,100	21,124,100
Mental Health Grants	0	0	3,140,000	2,140,000	2,011,600
Total:	40,891,700	39,862,200	40,514,300	40,122,600	37,363,800
BY FUND CATEGORY					
General	27,501,600	27,663,500	28,245,400	27,721,100	25,347,400
Dedicated	1,771,200	1,651,300	1,820,300	1,851,700	1,816,400
Federal	11,618,900	10,547,400	10,448,600	10,549,800	10,200,000
Total:	40,891,700	39,862,200	40,514,300	40,122,600	37,363,800
Percent Change:		(2.5%)	1.6%	(1.0%)	(7.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	21,634,100	21,923,900	22,196,900	23,181,800	22,134,000
Operating Expenditures	5,987,300	5,268,400	6,092,100	5,512,700	5,172,000
Capital Outlay	393,600	452,200	196,000	318,900	0
Trustee/Benefit	12,876,700	12,217,700	12,029,300	11,109,200	10,057,800
Total:	40,891,700	39,862,200	40,514,300	40,122,600	37,363,800
Full-Time Positions (FTP)	349.12	349.99	334.99	334.59	334.59

Division Description

CHILDRENS MENTAL HEALTH: The Children's Mental Health Program is managed under the Division of Behavioral Health. It provides assessment and evaluation, clinical case management, hospitalization, residential treatment, and therapeutic foster care for children with serious emotional disturbances.

ADULT MENTAL HEALTH: In Idaho services are community-based, consumer guided, and organized through a system of care for adult citizens who experience serious and persistent mental illness. Services are delivered primarily through seven regional, state-operated community mental health centers.

MENTAL HEALTH GRANTS: This budgeted program is utilized for state grants for mental health and substance abuse services that flow through the Department of Health and Welfare and are granted to local communities. This program was created in FY 2009.

Childrens Mental Health

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	91.55	8,784,500	14,898,500	91.55	8,784,500	14,898,500
Omnibus Rescission	0.00	0	0	0.00	(362,400)	(413,800)
Health Insurance Reduction	0.00	0	0	0.00	(20,900)	(45,800)
FY 2009 Total Appropriation	91.55	8,784,500	14,898,500	91.55	8,401,200	14,438,900
Noncognizable Funds and Transfers	0.25	0	0	0.25	0	0
FY 2009 Estimated Expenditures	91.80	8,784,500	14,898,500	91.80	8,401,200	14,438,900
Base Adjustments	0.00	0	(121,700)	0.00	0	(121,700)
Additional Base Adjustment	0.00	0	0	0.00	(164,700)	(125,000)
FY 2010 Base	91.80	8,784,500	14,776,800	91.80	8,236,500	14,192,200
Benefit Costs	0.00	71,700	82,600	0.00	25,900	36,800
Inflationary Adjustments	0.00	76,400	88,100	0.00	0	0
Replacement Items	0.00	35,200	73,500	0.00	0	0
Statewide Cost Allocation	0.00	(300)	(900)	0.00	(300)	(900)
Change in Employee Compensation	0.00	164,800	189,900	0.00	0	0
Nondiscretionary Adjustments	0.00	600	0	0.00	600	0
FY 2010 Program Maintenance	91.80	9,132,900	15,210,000	91.80	8,262,700	14,228,100
7. CMH Residential Rate Increase	0.00	155,500	155,500	0.00	0	0
FY 2010 Total	91.80	9,288,400	15,365,500	91.80	8,262,700	14,228,100
Change from Original Appropriation	0.25	503,900	467,000	0.25	(521,800)	(670,400)
% Change from Original Appropriation		5.7%	3.1%		(5.9%)	(4.5%)

Childrens Mental Health

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	91.55	8,784,500	164,500	5,949,500	14,898,500
Omnibus Rescission					
Agency Request	0.00	0	0	0	0
<i>General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.</i>					
Governor's Recommendation	0.00	(362,400)	0	(51,400)	(413,800)
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	(20,900)	0	(24,900)	(45,800)
FY 2009 Total Appropriation					
Agency Request	91.55	8,784,500	164,500	5,949,500	14,898,500
Governor's Recommendation	91.55	8,401,200	164,500	5,873,200	14,438,900
Noncognizable Funds and Transfers					
Transfers in 0.25 FTP.					
Agency Request	0.25	0	0	0	0
Governor's Recommendation	0.25	0	0	0	0
FY 2009 Estimated Expenditures					
Agency Request	91.80	8,784,500	164,500	5,949,500	14,898,500
Governor's Recommendation	91.80	8,401,200	164,500	5,873,200	14,438,900
Base Adjustments					
Reduces the base federal appropriation by \$121,700 due to the end of the Children's Mental Health Initiative grant.					
Agency Request	0.00	0	0	(121,700)	(121,700)
Governor's Recommendation	0.00	0	0	(121,700)	(121,700)
Additional Base Adjustment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 1.9% reduction for the division bringing the FY 2010 Base 4.1% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	(164,700)	0	39,700	(125,000)
FY 2010 Base					
Agency Request	91.80	8,784,500	164,500	5,827,800	14,776,800
Governor's Recommendation	91.80	8,236,500	164,500	5,791,200	14,192,200
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees. This request also shifts \$33,800 from federal funds to the General Fund.					
Agency Request	0.00	71,700	0	10,900	82,600
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	25,900	0	10,900	36,800

Childrens Mental Health

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 10% increase in the General Fund and a 4.0% increase in total funds. The requested amount includes \$82,900 for general inflation and \$5,200 for contract inflation for rent increases.					
Agency Request	0.00	76,400	0	11,700	88,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
The replacement items request includes \$62,000 for replacement of four vehicles at a cost of \$15,500 per vehicle; and \$11,500 for replacing ten office chairs and five desks.					
Agency Request	0.00	35,200	0	38,300	73,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Statewide Cost Allocation					
Reduces the budget by \$900 for risk management costs.					
Agency Request	0.00	(300)	0	(600)	(900)
Governor's Recommendation	0.00	(300)	0	(600)	(900)
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request. This request includes a fund shift of \$77,600 from federal funds to the General Fund.					
Agency Request	0.00	164,800	0	25,100	189,900
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
Nondiscretionary Adjustments					
Provides General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.795 to 69.493%. The FMAP is used in determining the amount of federal matching funds for state expenditures for assistance payments for certain social services.					
Agency Request	0.00	600	0	(600)	0
Governor's Recommendation	0.00	600	0	(600)	0
FY 2010 Program Maintenance					
Agency Request	91.80	9,132,900	164,500	5,912,600	15,210,000
Governor's Recommendation	91.80	8,262,700	164,500	5,800,900	14,228,100

7. CMH Residential Rate Increase

This request is for \$155,500 in General Fund appropriations for a realignment of reimbursement rates to providers of residential treatment to youth with serious emotional disturbances. Residential treatment is a contracted service that provides treatment and supervision in a highly structured setting for youth with serious emotional disturbances. The Division of Behavioral Health contracts with private providers for residential treatment, as does the Division of Family and Community Services (Child Welfare). These contracts allow both divisions to place youth in residential treatment using either Division's contract. These contracts are at varying rates for providers of similar services.

The division of Behavioral Health and the division of Family and Community Services have collaborated to establish a process to define levels of care and place youth in the appropriate level of care based on individual needs. This funding will allow the department to realign the range of reimbursement based on acuity within each level of care, which will help to ensure the defined levels of care are reimbursed in a consistent manner throughout the state. [Ongoing]

Agency Request	0.00	155,500	0	0	155,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Childrens Mental Health

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2010 Total					
Agency Request	91.80	9,288,400	164,500	5,912,600	15,365,500
<i>Governor's Recommendation</i>	<i>91.80</i>	<i>8,262,700</i>	<i>164,500</i>	<i>5,800,900</i>	<i>14,228,100</i>
Agency Request					
Change from Original App	0.25	503,900	0	(36,900)	467,000
% Change from Original App	0.3%	5.7%	0.0%	(0.6%)	3.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.25</i>	<i>(521,800)</i>	<i>0</i>	<i>(148,600)</i>	<i>(670,400)</i>
<i>% Change from Original App</i>	<i>0.3%</i>	<i>(5.9%)</i>	<i>0.0%</i>	<i>(2.5%)</i>	<i>(4.5%)</i>

Adult Mental Health

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	243.44	16,320,900	1,655,800	4,499,100	22,475,800
Omnibus Rescission					
Agency Request	0.00	0	0	0	0
<i>General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.</i>					
Governor's Recommendation	0.00	(383,000)	0	(84,500)	(467,500)
Omnibus Supplemental					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends restoring \$34,800 of the General Fund operating expenditures budget for Adult Mental Health. The restoration was offset by a higher trustee & benefits payment rescission.</i>					
Governor's Recommendation	0.00	34,800	0	0	34,800
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	(93,300)	(6,800)	(21,600)	(121,700)
FY 2009 Total Appropriation					
Agency Request	243.44	16,320,900	1,655,800	4,499,100	22,475,800
Governor's Recommendation	243.44	15,879,400	1,649,000	4,393,000	21,921,400
Noncognizable Funds and Transfers					
<i>Reduces the FTP by (0.65).</i>					
Agency Request	(0.65)	0	0	0	0
Governor's Recommendation	(0.65)	0	0	0	0
FY 2009 Estimated Expenditures					
Agency Request	242.79	16,320,900	1,655,800	4,499,100	22,475,800
Governor's Recommendation	242.79	15,879,400	1,649,000	4,393,000	21,921,400
Removal of One-Time Expenditures					
Agency Request	0.00	(934,900)	0		
Governor's Recommendation	0.00	(934,900)	0	(53,400)	(988,300)
Additional Base Adjustment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 1.9% reduction for the division bringing the FY 2010 Base 4.1% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	46,600	0	45,400	92,000
FY 2010 Base					
Agency Request	242.79	15,386,000	1,655,800	4,445,700	21,487,500
Governor's Recommendation	242.79	14,991,100	1,649,000	4,385,000	21,025,100
Benefit Costs					
<i>Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees. This request also includes a fund shift of \$16,300 from federal funds to the General Fund.</i>					
Agency Request	0.00	191,200	9,700	19,100	220,000
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	81,600	2,900	13,800	98,300

Adult Mental Health

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 8.7% increase in the General Fund and a 5.5% increase in total funds. The requested amount includes \$156,100 for general inflation and \$15,000 for contract inflation.					
Agency Request	0.00	156,200	0	14,900	171,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Replacement items requested include funding for 14 new vehicles for \$229,000. The highest mileage vehicle requested for replacement is 89,104 and the oldest vehicle request for replacement is 1997. The replacement request also includes \$16,400 for 15 desk chairs and seven desks.					
Agency Request	0.00	131,000	0	114,400	245,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Statewide Cost Allocation					
Increases the budget by \$700 for risk management costs.					
Agency Request	0.00	400	0	300	700
Governor's Recommendation	0.00	400	0	300	700
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request. This request also includes a fund shift of \$36,300 from federal funds to the General Fund.					
Agency Request	0.00	427,900	21,700	42,800	492,400
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Total					
Agency Request	242.79	16,292,700	1,687,200	4,637,200	22,617,100
Governor's Recommendation	242.79	15,073,100	1,651,900	4,399,100	21,124,100
Agency Request					
Change from Original App	(0.65)	(28,200)	31,400	138,100	141,300
% Change from Original App	(0.3%)	(0.2%)	1.9%	3.1%	0.6%
Governor's Recommendation					
Change from Original App	(0.65)	(1,247,800)	(3,900)	(100,000)	(1,351,700)
% Change from Original App	(0.3%)	(7.6%)	(0.2%)	(2.2%)	(6.0%)

Mental Health Grants

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	3,140,000	3,140,000	0.00	3,140,000	3,140,000
Omnibus Rescission	0.00	0	0	0.00	(501,800)	(501,800)
FY 2009 Total Appropriation	0.00	3,140,000	3,140,000	0.00	2,638,200	2,638,200
Removal of One-Time Expenditures	0.00	(1,000,000)	(1,000,000)	0.00	(1,000,000)	(1,000,000)
Additional Base Adjustment	0.00	0	0	0.00	373,400	373,400
FY 2010 Base	0.00	2,140,000	2,140,000	0.00	2,011,600	2,011,600
FY 2010 Total	0.00	2,140,000	2,140,000	0.00	2,011,600	2,011,600
Change from Original Appropriation	0.00	(1,000,000)	(1,000,000)	0.00	(1,128,400)	(1,128,400)
% Change from Original Appropriation		(31.8%)	(31.8%)		(35.9%)	(35.9%)

Mental Health Grants

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	3,140,000	0	0	3,140,000
Omnibus Rescission					
Agency Request	0.00	0	0	0	0
<i>General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.</i>					
Governor's Recommendation	0.00	(501,800)	0	0	(501,800)
FY 2009 Total Appropriation					
Agency Request	0.00	3,140,000	0	0	3,140,000
Governor's Recommendation	0.00	2,638,200	0	0	2,638,200
Removal of One-Time Expenditures					
Agency Request	0.00	(1,000,000)	0	0	(1,000,000)
Governor's Recommendation	0.00	(1,000,000)	0	0	(1,000,000)
Additional Base Adjustment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 1.9% reduction for the division bringing the FY 2010 Base 4.1% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	373,400	0	0	373,400
FY 2010 Base					
Agency Request	0.00	2,140,000	0	0	2,140,000
Governor's Recommendation	0.00	2,011,600	0	0	2,011,600
FY 2010 Total					
Agency Request	0.00	2,140,000	0	0	2,140,000
Governor's Recommendation	0.00	2,011,600	0	0	2,011,600
Agency Request					
Change from Original App	0.00	(1,000,000)	0	0	(1,000,000)
% Change from Original App		(31.8%)			(31.8%)
Governor's Recommendation					
Change from Original App	0.00	(1,128,400)	0	0	(1,128,400)
% Change from Original App		(35.9%)			(35.9%)